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SUBJECT: SERBIA: TWO NEW PARTIES ON THE HORIZON

REF: A) BELGRADE 559; B) BELGRADE 511; C) BELGRADE 759

CLASSIFIED BY: Deborah Mennuti, Political Chief, DOS, POL; REASON:
1.4(D)

Summary

¶1. (SBU) Two of Serbia's most prominent politicians in recent weeks announced plans to form new political parties. Sandzak Democratic Party (SDP) President Rasim Ljajic announced plans to form a new Social Democratic Party to occupy an open space on the center-left. G17 Plus President Mladjan Dinkic in June revealed his plans to form a "Party of Regions," a conglomerate of several regional parties, to advance decentralization and free market ideas on the center-right. While these new parties are attempts to recast the political roles of both Ljajic and Dinkic, officials close to both men assure us that neither seeks to provoke early national elections this fall. End Summary.

Ljajic's Social Democrats

¶2. (SBU) In the wake of the recently-adopted Law on Political Parties requiring all parties to re-register after July 20 (Ref A), Sandzak Democratic Party (SDP) President Rasim Ljajic announced in local press interviews on July 19 that he planned to form a new social democratic party this fall to occupy the space on the center-left of the political spectrum. After the SDP's successful showing in last month's municipal elections in Zemun and Vozdovac as a minority party (Ref B), Ljajic voiced confidence that SDP also has the capacity to compete on the national level. Ljajic said he planned to launch a new national party at a founding convention in October or November this year, and that the party would be "profiled as social democratic," which he meant as being founded on the four principles of freedom, justice, equality, and solidarity. Though Ljajic refused to publicly divulge names, local press has

speculated that Ljajic's movement would attract a range of left-leaning figures including Zoran Dragisic, leader of the Independent Social Democrats, political science professor and former Serbian ambassador to Paris Predrag Simic, economist Miladin Kovacevic, journalist Bosko Jaksic, and Ljubisa Simonovic, leader of reformists in Nis. Nenad Canak, leader of the League of Social Democrats of Vojvodina, told us on July 29 that he did not plan to participate in Ljajic's party.

13. (SBU) SDP Vice President Meho Omerovic told us on July 23 that Ljajic's proposed Social Democratic Party was designed to occupy the political space on the left that the DS had abdicated and that the SDP leadership was willing to include anyone who would play a constructive role while rejecting "people who would only glue themselves to Ljajic's success." Omerovic said that contrary to press reports, Klub 21 President Dusan Janjic and former Deputy Prime Minister Nebojsa Covic, president of the current tiny Social Democratic Party, would not join Ljajic's new party. The SDP, Omerovic said, would continue to run as a minority party in local elections while the new national party would compete independently. (Under Serbian election law, minority parties can enter parliament or local assembly by just passing a "natural threshold" - 0.4% for national parliament - while non-minority parties require a 5% threshold. On the national level the 5% threshold to enter Parliament is approximately equal to 200,000 votes.) Though voicing confidence that Ljajic's new party could align with the DS, Omerovic assured us that the formation of this new party was not

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intended to force early elections and noted that the party would not have the infrastructure to compete nationally until next spring at the earliest.

Dinkic's Party of Regions

14. (SBU) On the right, local political movements started unifying this spring around issues of decentralization and development, and are positioned to fall under a new tentatively-titled "Party of Regions" to be led by G17 Plus president Mladjan Dinkic. In May, the popular mayor of Kragujevac, Veroljub Stevanovic, united over a dozen local "Together For" movements in over a dozen Central Serbian municipalities to create a national party "Together for Sumadija" based on principles of devolving political power from Belgrade and free market economic policy. In early June, Dinkic began floating trial balloons as to prospects for a new "Party of Regions" under his leadership to be based on similar themes as Stevanovic's "Together for Sumadija" as well as the idea of dividing Serbia into seven administrative regions (Ref C). Various media outlets speculated that Dinkic's Party of Regions would unify G17 Plus with Stevanovic's party, the Party of Democratic Action (SDA) led by Minister Suleyman Ugljanin, the "I Live for Zajecar" Party led by Zajecar Mayor Bosko Nicic, and the Coalition for Pirot led by Pirot Mayor Vladan Vasic.

15. (C) G17 Plus Deputy Whip Vljeko Senic announced on July 21 that his party was prepared to enter the next national elections solely as part of the "Party of Regions." Senic told us privately on July 23 that while arrangements were still being developed, Dinkic aimed to create a tight coalition between G17 Plus elements and existing regional parties to form a de-facto party strong enough to run independently of the DS in the next national elections. Dinkic realized that the name "G17 Plus" had lost all public credibility, Senic said, and that running under a new party name was thus essential. In addition, Dinkic believed he had been wrongfully mistreated by DS leadership, especially President Tadic, in the past several months. Seeing Tadic effectively pave the way

for ex-Radical Tomislav Nikolic to form the Serbian Progressive Party while providing no public support for Dinkic's initiatives over the past year led Dinkic to conclude his future was not secure as a DS ally, Senic explained. Senic assured us that Dinkic had no plans to leave the national government this year though he would work to put in place an infrastructure for his Party of Regions. Senic said that Stevanovic had already agreed to join with Dinkic's new party, and negotiations were ongoing with Nicic, Vasic, and Miodrag Babic, the Hemofarm owner and founder of the "Vrsac Region-European Region" movement.

Comment

19. (SBU) Plans by Ljajic and Dinkic to form similar movements on the center-left and center-right in large part signify efforts to recast their current political roles. Ljajic is positioned to capitalize on his growing stardom while Dinkic is seeking to salvage his political future. Ljajic will likely have an easier time in his efforts than Dinkic, as many of Dinkic's prospective partners (including Stevanovic and Nicic) are already under clouds of corruption allegations. (One local contact described to us the Party of Regions a "mere coalition of criminals.") Though Belgrade

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will buzz this fall with talk of these new parties, Ljajic and Dinkic are unlikely to be in politically fortuitous enough positions with their new movements to provoke national elections this year. End Comment.
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